

Russians Evacuate Stanislau

Armies Flee Along
150-Mile Front; Teu-
tons Cross Sereth

"Blood and Iron" Rule Proclaimed

Kerensky Declares the
Harsh Measures
Will Be Taken

London, July 24.—The retreat of the Russians in Eastern Galicia has virtually been turned into a rout by the sweeping advance of the German troops. At every point along a 150-mile front, extending from the upper reaches of the Sereth River to the wooded Carpathians, the Russian soldiers are abandoning their positions and their arms. Scores of officers have sacrificed their lives in attempts to rally their troops, but in vain.

Stanislau is being evacuated by the Russians. Tarnopol lies in ruins. The Kaiser's victorious troops have forced their way across the Sereth south of the city, and apparently are still advancing there. To the south the Teutons have pressed forward beyond Hahns and the Bystritsa-Solotvina River, and the Russians are falling back eastward on both sides of the Dniester and throughout the wooded Carpathians.

Faced by a debacle at the front and the collapse of the revolutionary government at home, Premier Kerensky, the youthful dictator of Russia, has determined on a "blood and iron" policy, if necessary, to save his nation.

"Relying on the confidence of the masses and the army," he declared today, "my government will save Russia by Russian unity by blood and iron, by argument and reason, honor and confidence, are not sufficient. The situation at the front is very serious and demands heroic measures."

Russian Losses Enormous
The Russian losses are reported to be enormous. Berlin states that several divisions report the capture of 3,000 prisoners each. Quantities of war materials of all kinds have fallen into the hands of the enemy, and German detachments are now pressing forward by forced marches in an effort to cut behind the Russian lines and seize the big military depots at Koseva and Kryvo, upon which the entire Galician army depends for its subsistence.

While the centre of their great line from Riga to the Black Sea has caved in completely, on both wings loyal regiments are making heroic efforts to turn the tide of defeat. On the northern front near Vilna and Dvinsk, and along the Rumanian battle line attack after attack is being hurled against the enemy's front, though in both these sectors disaffection prevails to a certain extent and many hard earned victories are being turned into defeat by the failure of the men to stand firm before the enemy's fire.

Germans Retake Krevo
At Krevo also the Russians attacked in massed waves, but were repulsed in hand-to-hand fighting with "terrible losses," Berlin declares. Krevo was retaken by the Germans and securely held. At Jacobstadt the Russian assaults are also said to have broken down completely.

On the Rumanian front alone do the Russians appear to have had any success. Here "battalions of death" advanced to the attack in the Trotus and Putna valleys and at several other points in the Carpathians.

Premier Kerensky in an interview given to The Associated Press to-day at Petrograd said:

"The situation at the front is very serious, and demands heroic measures. But I am convinced the organism of the state is sufficiently vigorous to be cured without a partial amputation."

Premier Kerensky announced that he would return to the front when the constitution of his government had been completed. He continued:

"The first problem of the present moment, which is exceptionally heroic, is the concentration and union of power. The desertion of the Constitutional Democratic members of the Prince Lvoff government, which desertion is the cause of the recent revolt, shows how strong is the centrifugal force how small is the sum of our political consciousness. But I am convinced the misfortune through which we are going will awaken the conscience and sense of duty in our nation."

The new government's fundamental task is the defence of the country from anarchy. In this we rely upon the masses of the people and the army. My government will save Russia, and if its motives of reason, honor, conscience, prove insufficient, it will beat her into unity with blood and iron.

"No one will take advantage of the present situation in order to attempt to restore the old regime. I find ridiculous the talk about a coming winter revolution under my leadership."

"The new government must immediately stop the retreat and the economic dissolution and restore the country's finances. We expect Russia to forget her personal interests and to have in mind only the highest interests of the country."

Regarding conditions on the front Premier Kerensky said:

"The position of our army is serious, requiring heroic measures. But we must not despair. The old regime and certain extremist elements brought such poison into the army and body. Now this ulcer is cut, and as the state organism is healthier, I am convinced we shall avoid amputation."

"My new government is resolved to increase and to confirm the conquests of revolution, and to put resolutely an end to the work of the madmen and traitors who would destroy my fatherland."

Kerensky Names Cabinet of 10; 5 Are Socialists

Petrograd, July 24.—Premier Kerensky has completed the construction of the new Provisional Government. Like the ministry of his predecessor, Prince Lvoff, the Cabinet is a coalition, but is limited to ten members. Five of the ministers belong to the Socialist group, and five are members of non-Socialist parties. The other offices of state will be directed, not by ministers, but by unpolitical directors of departments who are not members of the Cabinet. Following is the list:

Socialists: Alexander Kerensky—Minister President and Minister of War and Marine. M. Tseretelli—Minister of Posts and Telegraphs. M. Skobelev—Minister of Labor. M. Tchernoff—Minister of Agriculture. M. Pieschegonoff—Minister of Supplies.

Non-Socialists: N. V. Nekrasoff—Vice-Minister President without portfolio. M. Tseretelli—Minister of Foreign Affairs. I. N. Efremoff—Minister of Justice. (M. Efremoff is a member of the Duma's Temporary Committee.) The Nicholas Lvoff—Prosecutor of the Holy Synod. M. Godneff—Controller of State. The Directors of Departments so far named are: M. Prokopovich, Progressive member of the Duma—Department of Trade and Agriculture. A. A. Barishnikov, a member of the Duma and a Moscow manufacturer—Department of Social Welfare. The headquarters of the Provisional Government has been transferred from the Marinsky Palace to the Winter Palace.

Democracy's Fate In Russia Rests On Tide of Battle

By ISAAC DON LEVINE
The key to Russia's internal political situation lies entirely in the military developments at the front. Kerensky's "blood and iron" policy will not save New Russia if the disaster in Galicia grows into a general rout. On the other hand, if the Russian resistance stiffens and the Teutons are halted a policy of extreme suppression might become a dangerous weapon to wield in Russia, even for Kerensky.

The issue of the internal crisis created a week ago by the resignation of the Cadet ministers and the Marxist rising could never be in any real doubt. The ability of the Council of Workmen, Soldiers and Peasants to cope with the small extremist factions was unquestioned by those who knew that the council actually represented the large majority of the people. It was felt that the central government was bound to grow stronger, not weaker, as a result of an attempt of a political and German spies to overthrow the present regime.

This feeling was justified. A new coalition cabinet, clothed with great authority and power, had taken over the helm of free Russia. Govern-

DROP THE HANDKERCHIEF



mentally Russia is much stronger today than before. The Provisional Government can enact its decisions now promptly and effectively. Its authority is no longer a sham but a reality. The accomplishments of the great revolution therefore have been fortified, and not jeopardized by the Petrograd rebellion of last week.

The unexpected peril to which the New Russia is now exposed is not internal, but external; not political, but military. The Teuton hordes are pushing the free and patriotic Russia. This spiritual wave might yet stop the advancing foe and save free Russia.

Should, however, the Prussian armies overcome the Slav revolutionary forces, then the nationalist sentiment now turbulently rising in Russia would be apt to overflow the boundaries of the revolution and escape the control of Kerensky and the Council of Workmen and Soldiers. With the Germans advancing into Russia, the nation's primitive patriotism might turn into a raging torrent, which would sweep away the cobweb of Socialistic organizations now spread all over the country. The headquarters of the revolution set up by the revolutionary bodies, pour out its wrath on the Jews, Poles, Armenians, Finns and other minor races and restore Czarism.

This is the grave menace lurking in the present Teutonic offensive in the East. It is a menace not only to the Russian democracy, but to the Allies and to the democracies of the world. For Czarism restored would quickly conclude a separate peace with Germany. It might even become an active ally of the Central Powers.

Haig's Guns Roar Warning Of New Drive

Artillery Duel in Flanders
Reaches the Greatest Intensity of War
London, July 24.—The opening of a great British offensive, heralded for days by intense artillery actions from the river Scarpe to the Channel coast, is believed at hand. The official announcement of Berlin to-night that the duel of giant guns has reached an intensity never before paralleled since the war began indicates that the British are making their last preparations for the big thrust, which is believed to have been hastened to save the Russians from complete collapse. Military critics here predict that Haig's new stroke will be one of the heaviest of the war.

On the Aisne front, in the mean time, the German attacks against the French positions on the Chemin-des-Dames are continuing without pause, and are being met with counter assaults of almost equal fury. Berlin announces that one infantry regiment on this front has been called upon to repulse twenty-one French attacks within the last few days.

Draft Bill Passes Canadian Commons

Ottawa, July 24.—The conscription bill passed the House of Commons today by a majority of fifty-four. It now goes to the Senate, where its speedy enactment into a law is assured by the presence of a substantial majority supporting the government.

The vote for conscription was almost entirely English, and the vote against was very largely French.

The bill was admitted that conscription would be defeated if submitted to the people. A letter had been read from General Curry, commander of the Canadian forces, asking for more soldiers.

Sir Wilfrid Laurier said that from the bottom of his heart he wished the resources of Canada would allow the sending of not merely a half million, but a million men, but it was a question of how many men could be taken from the nation without imperiling the industrial and agricultural industries and the very life of the country.

The government's position was outlined by Solicitor General Meighen. He held that Sir Wilfrid's followers had broken away from him in the House because a large majority of the thinking people of Canada were against the position taken by the Opposition leader.

Kaiser Scoffs at U. S.

Belittles American Arms in
Talk with Scheidemann
Bern, Switzerland, July 24 (British Admiralty, per Wireless Press).—The "Post Zeitung," of Augsburg, Bavaria, says that at the reception given recently in Berlin by Emperor William to members of the Reichstag the Emperor, in conversing with Philipp Scheidemann, the Socialist leader, spoke slightly of America, and expressed the conviction that the United States would not play a decisive part in the war.

Goethals and Denman Out; Capps Named

Rear Admiral Made Con-
structor; Hurley Heads
Ship Board

Bainbridge Colby Succeeds White

President Ends Controversy
Over Programme by
Sweeping Changes

Washington, July 24.—President Wilson brought the Shipping Board row to an abrupt termination to-day by eliminating the two principals—William Denman, chairman of the board, and Major General George W. Goethals, manager of the board's Emergency Fleet Corporation in charge of construction.

The resignation of General Goethals, tendered some days ago, was accepted, and Mr. Denman was asked by the President to follow suit, that the government's building programme might go forward without embarrassment.

Edward N. Hurley, of Chicago, former chairman of the Federal Trade Commission, was named by the President to succeed Mr. Denman to become chairman of the board, and Bainbridge Colby, of New York, was appointed successor to Captain John B. White, of Kansas City, another board member whose resignation, offered to the President a month ago, also was accepted.

Rear Admiral Washington L. Capps, chief constructor of the navy, will succeed General Goethals as manager of the fleet corporation, taking immediate charge of the building programme.

Nominations to Senate
The nominations of Mr. Hurley and Mr. Colby went to the Senate this afternoon and were referred to the Commerce Committee. Their prompt confirmation was predicted by both Democratic and Republican leaders.

Mr. Denman sent his resignation to the White House immediately after the receipt of the President's letter requesting it. The President's action manifestly took him by surprise, but his only comment was this:

"It was the best way to settle the whole thing. I want to help the President in every way possible, and never have questioned the wisdom of his decisions."

It was reported to-night that Theodore Brent, vice-chairman of the board, who has been a strong supporter of Mr. Denman, had offered to resign the board if the President thought it best, but at the White House it was said no communication had been received from him. John A. Donald and R. B. Stevens, two other board members, who both were in a measure to be blamed for the delay to the shipbuilding programme.

Virtually from the start of the trouble, it became known to-night, Mr. Denman did not have the full support of the board for his wooden ship programme. Mr. Donald and Mr. Stevens consistently supported the general, but Mr. Brent and Captain White stood with the chairman. After he had offered his resignation, a month ago, on account of ill health, Captain White returned to Washington in time to cast the deciding vote against the Goethals building programme.

General Goethals' announcement of this programme furnished the cause for a definite split between him and Mr. Denman. Much of the Goethals plans was the original programme proposed by the board for the building of a fleet of battleships, but Mr. Denman is said to have resented the fact that the general in making it public declared he would proceed without consulting the board.

How Controversy Started

The President's order conferring the powers given by Congress authorized the board to operate ships and the corporation to build them. General Goethals, reinforced by a letter from President Wilson, which declared he would not be hampered, took the order to mean he would have a free hand. Mr. Denman, with a letter from the President, which he thought charged the Shipping Board with responsibility for the expenditure of the funds supplied by Congress, promptly blocked the general's plans.

Difficulties then developed thick and fast, and another letter went from the White House to General Goethals. It called the general to account for announcing his programme without first consulting the board, and made it clear that he was not in supreme charge of the building programme and must not proceed without the approval of the Shipping Board.

Capps to Act at Once
Mr. Denman's resignation leaves Vice-Chairman Brent as temporary chairman, and there will be no interruption to the board's work. Until their nominations have been confirmed Mr. Hurley and Mr. Colby will sit with the board as members without the power to vote. Meantime Rear Admiral Capps will take immediate charge of building.

General Goethals is now back in the status of a retired officer of the United States Army, subject to any duty to which the President may call him.

Letters between the President
and Messrs. Goethals and Den-
man on page 3.

Larger War Plans Require Half a Million More Men, Six Billions of New Money

The War Atmosphere Clears

By C. W. GILBERT

WASHINGTON, July 24.—President Wilson's action in removing both Goethals and Denman, an unexpected vigor of decision and an independence of political considerations, has cleared the atmosphere here like a thunderstorm. No one not involved in the controversy wished for any other end of the scandal than the elimination of both men.

Mr. Denman had few partisans. General Goethals had more, but the revelation of his personality which had taken place since he began to operate where publicity was more effective than at Panama, left few to regret his resignation. And the regrets that do exist are swallowed up in the general feeling that it was above all desirable to start afresh, with everybody involved in the old quarrel out of the way and with a man versed in ships in charge of building ships.

The prevailing view of Mr. Hurley is as favorable as that held with regard to Admiral Capps. Not a word of fault is found with what the President has done. With the example of the past before them one thing that is expected of the new men is building of ships.

Nation Now Means War
The big budget of Mr. McAdoo is another sign that we mean war and are no longer pinning our faith on some miraculous bolt from the blue that will save us from the need of fighting. Originally we talked of more than a million of soldiers, but provided for only 500,000. And—read this as a light on national psychology—was provided money for that 500,000 only for eight months. Something was going to happen that would make the alternative from which we reluctantly necessary. Germany would collapse or some other relief would occur before

eight months. Wasn't that what the country thought two months ago? Now we are preparing for the inevitable. We provide for a real army, an all-year-round army. And with \$6,000,000,000 extra needed for our own use and further loans to the Allies we become a \$20,000,000,000 budget country, entitled by the same logic that has given Great Britain primacy among the Allies, the logic of the long pocket-book, to dominate in the councils of the war.

Rank implies obligation. It is not carping to say that as we pay we must fight. There is need of policies in proportion to a \$20,000,000,000 budget, commanding, aggressive policies, especially in naval affairs. They are still wanting.

U. S. Must Think Fight
It is not enough to solve the shipping tangle with firm decision, and to provide royally for war. It is necessary to think war. The Administration has not got to that yet. Nor has it offered along with its new budget a financial policy upon which such a budget can be based with fair regard for justice to all classes of society. It was not necessary to produce such a policy to-day, but one must be forthcoming before the Kitchens are permitted to show their ineptitude again.

To finish on a hopeful note, after calling attention to the fact that much still remains before we have an effective, foresighted war organization, it may be added that the war purchase board and the mechanism to establish priority among the public when one price is made for all is ready to be announced. Its release was scheduled for yesterday, and is certainly only a matter of a few hours. The recent period of indecision is ending in action. Much remains to be done, and there will be days of discouragement, but the prognosis is favorable.

City's Draft Quota 38,865; State Must Give 69,241

East Side Hard Hit by Alien Exemptions—Many
Who Otherwise Would Wait for Second Call
Are Picked for Immediate Service in the Army

Out of the 606,000-odd young men registered in New York City under the selective service law, 38,865 are to be drafted out of their civilian occupations to fill the gaps in the ranks of the National Guard and regular units and to form Uncle Sam's first overseas conscript army.

This is the city's quota, net and final, as officially bulletined forth from Albany last night. To determine it a clerical army, in itself of formidable size, has been at work for weeks checking back over all service enlistments and crediting each to the proper district.

New York State's net quota is announced as 69,241. The gross of 122,212, fixed by the Federal authorities for the state, is reduced to this figure by those who were in the Guard on April 1 and those who enlisted in the Guard and the regular army between that time and June 30. Thus the total of state credits is 52,371.

Master Lists on Way Here
With the publication of the quotas and their official communication to the local boards, Albany's preliminary work on the draft is finished. It is the Federal government upon which the exemptions are now waiting—more specifically upon the Postoffice, for the master lists of the draft are already in the mails.

When these lists arrive the local boards will have three days of grace in which to arrange their "available lists"; that is, lists of men registered in the colors as volunteers in such numbers that they will be able to do the job of examining registrants and passing on exemption claims.

So far as is known, no allowance has been made in the quotas for alien registrants, which, in certain districts, rise to a high percentage of the total. Where the alien registration was especially heavy—conspicuously in the East Side—citizens registrants will be hard hit, for all enemy aliens, together with such other aliens as have not taken out first papers, fall automatically into the exempt class.

East Side to Protest
For a considerable time back the East Side has been making itself heard on the subject, and those officials who have made it their business to keep in close touch with the situation are expected now of yet more vociferous protest. Agitators who dropped their fight on the principle of the draft to preach the "unfairness" of the method have in the district quotas the actual figures to back their arguments. With this material it should not be difficult to make citizen registrants of the sections who have never been enthused by the prospect of going away to war feel themselves the victims of discrimination.

Basically the quotas are figured on the number of registrants in each exemption district. The automatic elimination of the exempt aliens, who, as the East Side sees it, should never have been registered, means that many citizens will be drafted who might otherwise have been permitted to await a future call. There will be enough of this, and enough of their friends' aid with them, the authorities fear, to stir up the ructions at one time threatened by the militant pacifists.

The credits appear to have been spread equally over the 189 exemption districts into which the city has been arbitrarily divided for the purposes of the draft. There is no case even approaching those of the three Pennsylvania cities whose young men joined the colors as volunteers in such numbers that none need now be sent to fight as conscripts.

Instead of 250, as tentatively suggested, the average quota of the city exemption district is 206.

265 From Bronx District

The largest number of men which any district will be called upon to send in answer to the present call is 265. This is the Bronx district, over which Local Board No. 1, George W. Decklyn, chairman, has jurisdiction. It includes the 32d to 41st Election Districts (inclusive) of the Thirtieth Assembly District, and its population of 35,075 is the largest of any draft division in the five boroughs.

Quota assigned to each of city's
189 exemption boards on Page 2.

FORE!

The question this morning is, "How many golf courses can you get on an island?" The answer is at least forty-seven—if it's a Long Island.

But where are they? How long does it take to get there? How much does it cost to belong? What's the carfare?

All answered this morning on the special Long Island Golf page printed to-day on page 7. Turn to it now.

New York Tribune

Congress Is Asked for Means to Double Draft Army

Loans to Allies To Be Increased

Total Expenditures in First Year May Be \$20,000,000,000

(By The Associated Press)
Washington, July 24.—Plans worked out in Congress for raising war revenue were overturned to-day by announcement of forthcoming additional estimates for war expenditures aggregating more than \$5,000,000,000, principally in anticipation of assembling a second army of 500,000 men under the selective draft.

Secretary McAdoo at a meeting of the Senate Finance Committee revealed that the War Department alone is preparing estimates to cover additional expenditures of nearly \$5,000,000,000 and asked the committee to hold up the \$1,670,000,000 war tax bill until the detailed estimates of all departments are submitted. The committee agreed to the request and pigeonholed a report on the measure which it had planned to submit during the day.

The new estimate, including \$600,000,000 additional for the Shipping Board and \$100,000,000 for the Navy Department, is to be submitted to the committee late this week. Then there will begin another revision of the war revenue measure, probably resulting in an increase of the bill's gross tax levy by from \$350,000,000 to \$1,500,000,000. Further credits may also be authorized in the form of bonds or indebtedness certificates.

More For the Allies
Besides the additional sums needed for the American war programme, Secretary McAdoo told the Senate committee that the \$3,000,000,000 authorized for loan to the Allies probably would last only until October, and that about \$2,000,000,000 for their further assistance would be needed. Provision for this, however, is not planned in connection with the pending revenue legislation. It probably will be considered at the next session.

The Secretary made no recommendation as to what part of the total should be raised by taxes and what part by bond issues or other credits. It was reported, however, that the Treasury Department would favor raising \$1,000,000,000 more than had been provided in taxes, making the tax bill total \$2,770,000,000.

As to the tax sources to be tapped to meet the new estimates, the committee for the present is entirely at sea. Mr. McAdoo's announcement came entirely without warning, and more than one committee member expressed himself as completely staggered by the size of the forthcoming estimate. The first disposition was to turn to new taxes on war excess profits and incomes.

"There are many great sources of revenue open for a great and rich people like ours," said Chairman Simmons, but he would not predict what the committee would do. A meeting will be held immediately after the new estimates are submitted. At to-day's meeting a resolution was adopted calling for submission of new estimates by all departments, so that the whole war expenditure programme may be considered in connection with the pending war tax legislation.

The \$5,000,000,000 army increases, Secretary McAdoo informed the committee, are largely to provide for the second draft army of 500,000 men, to be called while the first 500,000 are under training. The \$5,000,000,000 would provide for expenditures until July 1, 1918. During to-day's debate on the Rivers and Harbors bill, Senator Smoot presented statistics to show that appropriations of the war session already aggregated \$9,225,000,000, so that the new estimates would raise the total for the first year of the war well above \$14,000,000,000.

Twenty Billion War Budget Without a Financial Policy

By C. W. Gilbert
Washington, July 24.—This country will have to raise \$6,000,000,000 this year for war purposes in addition to that already provided. Secretary McAdoo told the Senate Finance Committee this to-day. He was asked for details, and promised to furnish them later in the week, together with information as to how much of this money must actually be spent this year. In addition to this, there will be further loans to the Allies. Senator Smoot estimates these additional loans at \$5,000,000,000.

We have raised or authorized about \$9,000,000,000 now for the ordinary expenses of the government, for war expenses and for loans to the Allies. Add to that the \$6,000,000,000 Mr. Mc-